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June 27, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Attention: Policy and Rules Division
Stop Code 1800D

Re: MM Docket Nos. 91-221, 87-8, 94-150, and 87-154
Television Station WDRB(TV), Louisville, Kentucky

Dear Mr. Caton:

On behalf of Independence Television Company, licensee of Television Station WDRB(TV), Louisville, Kentucky, we submit herewith an original and four copies of the licensee's response to the FCC's June 17, 1997 Public Notice in the above-captioned proceedings. This submission concerns a Time Brokerage Agreement between Independence Television Company and Kentuckiana Broadcasting, Inc., the licensee of Television Station WFTE(TV), Salem, Indiana.

Should any questions arise concerning this matter, kindly contact the undersigned.

Very truly yours,

Elizabeth A. McGeary

Enclosure

WDRB'S RESPONSE TO PROPOSAL RULE MAKING RE LMA'S

- 1) **Brokering Station -** Independence Television Company
 WDRB-TV
 41
 Louisville, KY
- Brokered Station -** Kentuckiana Broadcasting, Inc.
 WFTE-TV
 58
 Salem, Indiana
- 2) **Nielsen DMA** - Louisville, KY - 50th
- 3) Both stations have identical city grade and grade A contours. WDRB's grade B contour is considerably greater than WFTE's. The transmitter sights are co-located.
- 4) November 8, 1993
- 5) Term: March 15, 1994 - March 15, 2001 - WDRB-TV has right to extend agreement for additional terms of five (5) years each. Notice of the exercise of such option must be delivered to Kentuckiana Broadcasting no later than ninety (90) days prior to the existing term.
- 6) 83.3%
- 7) WDRB-TV is a FOX Affiliate
 WFTE-TV is a UPN Affiliate
- 8) **NSI audience share**
 (9A - 12 MID)
- | | <u>WDRB</u> | <u>WFTE</u> |
|---------|--------------------|--------------------|
| May '97 | 8 | 4 |
| Feb '97 | 8 | 3 |
| Nov '96 | 10 | 4 |

In May 1990, James T. Ledford, the sole owner of Kentuckiana Broadcasting, Inc. received a construction permit for a UHF station (Channel 58) licensed to Salem, Indiana located approximately 35 miles northwest of Louisville, Kentucky. For the next 3 1/2 years, Mr. Ledford attempted unsuccessfully to secure financing for construction. In November 1993, Blade Communications, Inc. and Kentuckiana Broadcasting, Inc. concluded a construction agreement, a time brokerage agreement and an option agreement for WFTE-TV. Blade Communications guaranteed a \$2 million loan obtained by Kentuckiana Broadcasting, Inc. from PNC Bank for the construction of WFTE-TV (see letter attached). Pursuant to the construction agreement, WDRB engineers constructed the WFTE broadcast facility, installed the WFTE transmitter in WDRB's transmitter building and supervised the installation of an antenna for WFTE on WDRB's tower. WFTE became a UPN affiliate, providing an outlet for that network which would not have been available prior to its construction. In addition, WDRB purchased several of the major programs in syndication at a cost in the millions to be aired on WFTE, many having contracts which run several years into the future. WFTE will air at least 4 1/2 hours per week of children's educational programs this fall. WFTE has secured programming of specific interest to Southern Indiana residents: Boys & Girls State High School championship tournaments in basketball and football championship games, Indiana University football and basketball and Indiana Lottery programming. In addition, WDRB produces news briefs for WFTE which air each half hour from 6-10PM as well as several special 30 and 60 minute newscasts. WDRB also produced for WFTE a live town meeting from Salem, Indiana and produced several public service announcements of interest to Southern Indiana residents.

PNCBANK

June 24, 1997

Mr. Gary J. Blair
Senior Vice President
Blade Communications, Inc.
541 Superior Street
Toledo, Ohio 43660

Dear Gary:

The purpose of this letter is to identify the conditions under which Pittsburgh National Bank, now known as PNC Bank, National Association (the "Bank") was willing to extend a \$2.0 million loan to Kentuckiana Broadcasting, Inc. ("Kentuckiana") on December 3, 1993. The loan proceeds were to be used by Kentuckiana to construct and begin broadcasting Channel 58, (WFTE) in Salem, Indiana. The Bank provided the loan to Kentuckiana principally on the basis of the unconditional guarantee that was extended by Blade Communications, Inc. ("BCI") in support of the loan. Had the guarantee from BCI not been provided, the Bank would not have pursued the credit extension. The Bank was not comfortable at that time extending credit to Kentuckiana solely on the strength of its assets, its ownership or cash flow.

Should you have any additional questions, please do not hesitate to call.

Sincerely,



Laura Vassamillet
Vice President
(412)762-5357